

AMENDED IN SENATE APRIL 1, 2014

**SENATE BILL**

**No. 1439**

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**Introduced by Senator Leno**

February 21, 2014

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An act to add Section 7060.8 to the Government Code, relating to residential real property.

LEGISLATIVE COUNSEL'S DIGEST

SB 1439, as amended, Leno. Residential real property: withdrawal of accommodations.

Existing law, commonly known as the Ellis Act, generally prohibits public entities from adopting any statute, ordinance, or regulation, or taking any administrative action, to compel the owner of residential real property to offer or to continue to offer accommodations, as defined, in the property for rent or lease.

This bill would authorize the *City and County* of San Francisco to prohibit an owner of accommodations from ~~withdrawing~~ *filing a notice with a public entity of an intent to withdraw* accommodations or prosecuting an action to recover possession of accommodations, or threatening to do so, if not all the owners of the accommodations have been owners of record for 5 continuous years or more or with respect to property that the owner acquired after providing notice of an intent to withdraw accommodations at a different property. Among other things, the bill would also permit the *city and county* to require an owner of accommodations notifying the *city and county* of an intention to withdraw accommodations from rent or lease to identify each person or entity with an ownership interest in the accommodations and to identify all persons or entities with an ownership interest in an entity, which information would be available for public inspection. The bill

would provide specified, nonexclusive remedies that the *city and* county would be authorized to provide for a violation of these provisions.

This bill would make legislative findings and declarations as to the necessity of a special statute for the *City and* County of San Francisco.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 7060.8 is added to the Government Code,  
2 to read:

3 7060.8. (a) This section shall apply only to a ~~county of the~~  
4 ~~sixth class as defined by Sections 28020 and 28027.~~ *city that is*  
5 *also a county.*

6 (b) Notwithstanding any other provision of this chapter, the *city*  
7 *and* county by statute, ordinance, ballot measure, executive  
8 directive, resolution, or regulation may provide that:

9 (1) An owner of accommodations shall not *file a notice with a*  
10 *public entity of an intent to* withdraw accommodations pursuant  
11 to this chapter, prosecute an action to recover possession of  
12 accommodations pursuant to this chapter, or threaten to do either  
13 of these things, unless all the owners of the accommodations have  
14 been owners of record for five continuous years or more. If an  
15 owner of record is not a natural person, then all persons or entities  
16 with an ownership interest in that entity shall have held that interest  
17 for five continuous years.

18 (2) ~~An owner of accommodations~~ *If an owner of*  
19 *accommodations files a notice of intent with the public entity to*  
20 *withdraw accommodations under this chapter, and the owner*  
21 *subsequently acquires a new property containing accommodations,*  
22 *the owner* shall not withdraw accommodations pursuant to this  
23 chapter, prosecute an action to recover possession of  
24 accommodations pursuant to this chapter, or threaten to do either  
25 of these things, with respect to ~~accommodations acquired after the~~  
26 ~~date that owner provided notice of an intent to withdraw~~  
27 ~~accommodations at a different property.~~ *the later acquired*  
28 *property.* For purposes of this paragraph, an owner of  
29 accommodations includes any person or entity with an ownership  
30 interest in an entity that owns the accommodations.

1 (3) An owner ~~of record~~ of accommodations, or any person or  
2 entity with an ~~equity ownership~~ interest in ~~the owner of record, an~~  
3 ~~entity that owns the accommodations~~, shall not act in concert with  
4 a coowner, successor owner, prospective owner, agent, employee,  
5 or assignee, ~~directly or indirectly~~, to circumvent the limitations of  
6 paragraph (1) or (2).

7 (4) An owner of accommodations notifying the *city and county*  
8 of an intention to withdraw accommodations from rent or lease  
9 shall identify each person or entity with an ownership interest in  
10 the accommodations, and if any entity is not a natural person,  
11 identify all persons or entities with an ownership interest in that  
12 entity. This information shall not be confidential and shall be  
13 available for public inspection.

14 (c) The *city and county* may provide that a person or entity that  
15 violates the provisions described in subdivision (b) is liable to the  
16 tenant or lessee for actual damages, special damages of not less  
17 than two thousand dollars (\$2,000) for each violation, and  
18 reasonable attorney fees and costs in an amount fixed by the court.  
19 The remedy provided by this section is not exclusive and shall not  
20 preclude either the tenant or lessee from pursuing any other remedy  
21 provided by law.

22 SEC. 2. The Legislature finds and declares that a special law  
23 is necessary and that a general law cannot be made applicable  
24 within the meaning of Section 16 of Article IV of the California  
25 Constitution because of the recent significant increase in the  
26 evictions under the Ellis Act in the City and County of San  
27 Francisco and the consequent displacement of long-time residents  
28 and severe reduction of availability of affordable rental housing  
29 in San Francisco.